

# House File 680 - Introduced

HOUSE FILE \_\_\_\_\_  
BY LUKAN

Passed House, Date \_\_\_\_\_ Passed Senate, Date \_\_\_\_\_  
Vote: Ayes \_\_\_\_\_ Nays \_\_\_\_\_ Vote: Ayes \_\_\_\_\_ Nays \_\_\_\_\_  
Approved \_\_\_\_\_

## A BILL FOR

1 An Act expanding eligibility for the state child and dependent  
2 care tax credit and including a retroactive applicability date  
3 provision.  
4 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:  
5 TLSB 1847HH 83  
6 tw/mg:sc/14

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1 1 Section 1. Section 422.12C, subsection 1, Code 2009, is  
1 2 amended to read as follows:  
1 3 1. The taxes imposed under this division, less the amounts  
1 4 of nonrefundable credits allowed under this division, shall be  
1 5 reduced by a child and dependent care credit equal to the  
1 6 following percentages of the federal child and dependent care  
1 7 credit provided in section 21 of the Internal Revenue Code:  
1 8 ~~a. For a taxpayer with net income of less than ten~~  
~~1 9 thousand dollars, seventy-five percent.~~  
1 10 ~~b. For a taxpayer with net income of ten thousand dollars~~  
~~1 11 or more but less than twenty thousand dollars, sixty-five~~  
~~1 12 percent.~~  
1 13 ~~c. For a taxpayer with net income of twenty thousand~~  
~~1 14 dollars or more but less than twenty-five thousand dollars,~~  
~~1 15 fifty-five percent.~~  
1 16 ~~d. For a taxpayer with net income of twenty-five thousand~~  
~~1 17 dollars or more but less than thirty-five thousand dollars,~~  
~~1 18 fifty percent.~~  
1 19 ~~e. For a taxpayer with net income of thirty-five thousand~~  
~~1 20 dollars or more but less than forty thousand dollars, forty~~  
~~1 21 percent.~~  
1 22 ~~f. For a taxpayer with net income of forty thousand~~  
~~1 23 dollars or more but less than forty-five thousand dollars,~~  
~~1 24 thirty percent.~~  
1 25 ~~g. For a taxpayer with net income of forty-five thousand~~  
~~1 26 dollars or more, zero percent.~~  
1 27 a. For a taxpayer with net income of less than forty-five  
1 28 thousand dollars, one hundred twenty-five percent.  
1 29 b. For a taxpayer with net income of more than forty-five  
1 30 thousand dollars but less than sixty thousand dollars, one  
1 31 hundred percent.  
1 32 c. For a taxpayer with net income of sixty thousand  
1 33 dollars or more, zero percent.

1 34 Sec. 2. RETROACTIVE APPLICABILITY. This Act applies  
1 35 retroactively to January 1, 2009, for tax years beginning on  
2 1 or after that date.

### EXPLANATION

2 2  
2 3 This bill adjusts the eligibility for the state child and  
2 4 dependent care tax credit. Currently, taxpayers making more  
2 5 than \$45,000 a year are not eligible for the credit, while  
2 6 taxpayers making less than \$45,000 are eligible for a  
2 7 gradually increasing percentage of the amount of the federal  
2 8 child and dependent care credit as annual income decreases.  
2 9 The bill increases the income threshold for eligibility to  
2 10 \$60,000. The bill further provides that taxpayers making  
2 11 \$45,000 or less are eligible for 125 percent of the federal  
2 12 credit and that taxpayers making between \$45,000 and \$60,000  
2 13 are eligible for 100 percent of the federal credit.  
2 14 The bill applies retroactively to January 1, 2009, for tax  
2 15 years beginning on or after that date.  
2 16 LSB 1847HH 83  
2 17 tw/mg:sc/14